Doing Good Together
The Responsible Company & Its Corporate Foundation

BSR Ci Yuan Initiative
September 19, 2011

Claire Lyons, Global Grants Portfolio
PepsiCo Foundation
Introduction

• Claire Lyons, Global Grants Portfolio Manager, PepsiCo Foundation
• 25 plus years in philanthropic sector — founding a charity in post-Glastnost Russia
• Has been coming to China since 2006 and a close partner of the Water Cellars for Mothers program with the All China Women’s Federation, China Women’s Development Foundation
• Honored as “One of the Top Ten Most Moving People of the Decade” by CWDF
• Very honored to present at the BSR Ci Yuan Initiative Roundtable
Why do good?

Greek myth of Prometheus: he was moved by his **philanthropic spirit** — or **love of humanity** — to steal Fire from the gods and give it to Mankind.

_Prometheus Carrying Fire_ by 17th century Flemish painter Jan Cossier
MEDIEVAL EUROPE

Religion provides earliest form of “non governmental” Western charity

• Western tradition of giving established
  o Almsgiving
  o Tithing (giving 10% of income to the church)
  o Good Works = Spiritual Worth = Social Value

• Tradition of tax exemption from the state
A design for a cameo by abolitionist Josiah Wedgewood became fashionable and helped raise public consciousness.

18\textsuperscript{th}-19\textsuperscript{th} CENTURY

A social movement ends slave trade; first INGO is formed

- Abolitionists lobby British public and parliament on immoral slave trade
  - World’s first cause marketing campaign? Wedgewood’s cameos galvanize public
- Britain goes from leading slavery trade to leading its abolishment worldwide (US would not end slavery for another generation)
- The world’s first International NGO, the Anti-Slavery Society, is founded in 1839
Secular NGOs form to respond to war and industrialization

- Need for impartial, non-religious, politically neutral, humanitarian relief organization for victims of armed conflict
- International Red Cross and Red Crescent Movement founded in 1863 (along with Geneva Convention)
- Today: 97 million volunteers worldwide.
- Other famous NGOs founded in response to war: Save the Children post-WWI; CARE post-WWII.
- Post WWII industrialization also saw rise of labor NGOs and trade unions
LATE 20TH CENTURY - PRESENT

Sustainability is a response to globalized business and impacts

- How to balance serving shareholders with needs of the society in which you operate?
- CSR triple bottom line: social, economic, environmental
- 1999 Dow Jones Sustainability Index for leading companies
- To go from Friedman to Drucker, must link CSR ROI to business ROI
- Professionalization of NGO and nonprofit sector—management, measurements, KPIs, reporting, M&E, stakeholder engagement, communications, shareholder value, etc.,

ECONOMIST MILTON FRIEDMAN, 1970
“Business’s job is to make profit”, “only people can have responsibilities”

Can a corporation be ‘socially responsible’?

FATHER OF MANAGEMENT PETER DRUCKER, 1984
Sustainability is necessary “because the manager has a responsibility to the enterprise” and its stakeholders

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Faced with new challenges, how will we respond?

- Mankind has come a long way since the days of Prometheus…
- 9 Bn people in 2050 and one planet we must all share — how will we evolve and adapt to serve our stakeholders?
- What is the role of the responsible enterprise in a globalized world?
- What is the role of its Foundation?
Three Pillars for Doing Good

PHILANTHROPY

Private Initiatives for Public Good
(Promoting Quality of Life)
NGOs, NPOs, Civil Society Organizations, etc.,

GOVERNMENT

Public Initiatives for Public Good
(Promoting Law and Order)

BUSINESS

Private Initiatives for Private Good
(Promoting Material Prosperity)

The Corporate Foundation is a private foundation that derives its grant-making funds from the profit of the business. Separate legal entity. Traditional role – write a check.
New role: Do more than write a check.

Public-Private Partnerships are programs designed so that private companies, their Foundations, NGOs, and developmental or state agencies partner and pool resources to provide a community benefit or service.
The Promise of PepsiCo
Performance with Purpose

P&L DRIVEN FOUNDATION DRIVEN BRAND, OPERATIONS, BUSINESS UNIT DRIVEN

DOING GOOD TOGETHER
The Responsible Company and its Corporate Foundation

Heart $

PURITY PERFORMANCE

PURE SOCIAL BENEFIT (Traditional Philanthropy)

SHARED MUTUAL BENEFIT (CSR Initiatives, Sustainable Business Development, Cause Marketing, Public-Private Partnerships, Employee Engagement, etc.)

PURE BUSINESS BENEFIT (Traditional Profit)
WATER CELLARS FOR MOTHERS & PEPSICO

- 60,000 beneficiaries to date
- Newest grant brings clean water access to 500,000 across China by 2015
- Working with ACWF, MWR, MOE and MOH CDC
Pepsi Refresh Campaign

Pepsi Refresh Project
• Launched in January 2010
  www.refresheverything.com
• Give $20 M USD in grants to individuals, businesses and non-profits to promote great ideas serving their communities
• First 1,000 ideas proposed every month are voted on by the public to share a pot of $1.3 M USD
• Marketing not Foundation $$

To date
• Over 1,000 grantees
• 2,684,000 lives touched
• 129 communities enhanced
• 199 organizations strengthened
Thank you!
谢谢！